

**OFFICE OF ECONOMIC RECOVERY AND REINVESTMENT (OERR)
ENERGY REVIEW TEAM (ERT)**

Minutes-June 8, 2009

Members Present: Andrew Dzykewicz, Ken Payne, Kevin Flynn, John Farley, Tom Ahern, and Julian Dash

Staff: Janet Keller and Charles Hawkins

Others Present: Chris Kearns, Chelsea Hatchley, Connie McGreavy, Roland Hawkins, Elliot Ratush, and Matthew Soursourian

Call to Order: The Meeting was called to order by Andrew Dzykewicz at 1:20 PM

Old Business:

Energy Efficiency and Conservation Block Grant Program (EECBG)

Review of June 18th Public Meeting

The two hour meeting went smoothly with approximately 80 people in attendance. 28 of the 39 RI cities and town were represented. There were no fundamental objections to the draft plan presented. There were two comments of note:

Block Island commented that just using census figures hurts communities with seasonal populations who must maintain an infrastructure for a summer population of 20,000 when the yearly population is less than 1,000.

Portsmouth suggested increasing the base formula amount and reduce the reliance on per capita figures. This would result in significant program redesign.

Approval of transmission to the OERR of proposed allocation of EECEBG funds

With a June 26th deadline for the USDOE EECEBG application, the ERT needs to transmit the plan to the OERR for their review.

The EECEBG plan calls for three activities:

Activity One

Performance contracting: Each municipality will receive a base grant of \$5,000 plus \$.50 per capita to help pay for the soft costs of Esco solicitation, including measurement and verification. The total is \$719,159.

Activity Two

Base Grant Allocations to Cities and Towns: This is an attempt to ascertain that all 39 cities & towns receive an equitable distribution of \$9.78 per capita. This figure came from averaging the per capita

allocations of the four cities that qualified for both Alternative 1 and Alternative 2 funding based on the formula created by USDOE on 4/15/09.

Activity Three

Competitive Grants for city & towns, including regional projects: Two separate competitive grant funds will be created:

- Competitive grants for RI's largest 10 cities-\$1,666,011**
- Competitive grants for RI's smaller 29 towns-\$1,322,695**

In addition to these three activities a total of \$499,557 is being requested for administrative costs.

John F. asked if these formulas were dictated by USDOE guidelines.

Andy D. said that USDOE guidelines call for stringent quarterly reporting. All sub-grantees will have to report activities four times a year.

John F. did not think it was fair that the State can't use 60% of funds for admin.

Ken P. said that the criteria for fairness is limited by USDOE. The 4/15 USDOE formula make it hard to be equitable.

Kevin F. wanted clarification on whether towns have to submit applications to receive EECBG formula funding. Yes, they have to submit projects that met the USDOE criteria thresholds. So if towns

do not submit projects that match the RFP criteria these funds will go to the competitive pot.

Tom A. made a motion to transmit the plan to the OERR for approval, Kevin F. seconded the motion and the motion passed unanimously.

New Business/State Energy Plan

The USDOE has reviewed RI's SEP application and has asked for more specific breakdowns in how the money will be spent. On the EE side they want to see what is going to be spend in the five categories: Residential; Small C&I, Large C&I, Public Buildings and Transportation in separate activity sheets. They also want the State to list BTU savings.

For renewables they want two activity sheets; one dealing with Utility Scale Renewables, and the other non-utility scale.

Andy D. said that he is not that concerned about how the funding breaks out in the two categories because the USDOE has tended to be flexible in the past about moving funds from one activity to another. USDOE wants to announce the first 20 state SEP approvals soon. Julian D. wanted to know if the state should be aggressive in order to be in the first 20. It could be an opportunity to speed things along.

Because the EECBG funding is going to focus on public buildings, Andy D. felt that \$500,000 would be sufficient for this activity. He also suggested allocating \$1.5 million for transportation and splitting the

remainder of the approximately \$9 million three ways between the other three activities, Large C&I, Small C&I and Residential which would augment existing DSM programs.

There was a discussion about the transportation activity sheet. USDOE likes the idea of LED traffic signals. Could this funding be used to expand RI's bio-diesel industry? Should there be a competitive solicitation for transportation? John F. asked how specific the State has to be in its application. Andy D. said it could be something as basic as job creation and BTUs saved.

John F. asked where transportation EE was in RI. It was mentioned that RIPTA is attempting to change its fleet mix by buying diesel hybrids.

Andy D. mentioned the ECO Park proposed in Tiverton that will experiment with Vehicle to Grid technology that could transform both the renewable energy and electric car industries.

It was proposed to split the \$13.4 in the SEP for renewables with \$5.4 million going to utility scale and \$8 million going to non-utility scale renewables with the expectation that USDOE will be flexibly about moving funds between pots.

Kevin F. said that he did not want to discourage "game saving projects" in he solicitations.

John F. made a motion to approve the response to the USDOE questions, Ken P. seconded it and the motion passed unanimously.

Public Comment:

Matt Soursourian asked about the structure of the EECBG Competitive activity. What criteria would be used. Ken P. said the two key criteria would be the federal metrics contained in the EECBG guidance and how much the project advances the State Guide Plan.

John F. asked about criteria for the regular formula EECBG grants. With the formula grants the applicants must just meet the federal thresholds. With the competitive pot the project needs to be able to compete with other projects. For instance if Newport has one EE project that stand above their other projects this is the one that they should put in the competitive pot.

Andy D. was asked how many projects will get awards. He replied that that has not been determined yet.

Date and Location for the Next ERT Meeting

Andy said that the ERT should be ready to put out the RFPs on the SEP as soon as the plan is approved. He mentioned that the URI folks (Dan C. & Kristen G.) have been extremely helpful in the process and he asked Ken P. how long they would be available. Ken P.

responded until at least through September. Andy said he need to give staff time to work up a draft RFP to present to the ERT. Kevin F. asked if this could be done by the end of the month. Andy D. and Ken P. both thought that was too ambitious. It was suggested that staff work on SEP and EECBG RFPs together. The RFPs should be well grounded with knowledge of the proper data sources.

Andy D. wanted to schedule a concept review session for mid-July. The idea is to develop the concepts for the RFPS with staff filling in the blanks. The ERT could decide on metrics at that meeting. Ken P. said that putting out this menu of options will involve much work.

Andy D. mentioned another smaller ARRA grant application for Energy Starr Rebates. USDOE has not issued guidance and once they do the application needs to be filed in 30 days. Andy D. feels that this is a rather simple program that would be easy for NGrid to administer. Andy D. wanted to move this item during the meeting but Ken P. said that according to the APA such a action must be posted on the agenda beforehand. It was agree to put this item on the agenda of the next ERT meeting.

It was agree to schedule the next ERT meeting July 16th to have a concept review of the RFP and discuss the Energy Star Rebate grant application. This meting has been scheduled for Thursday July 16th at 9:00 AM in conference Room B, on the Second Floor of the DOA.

A motion was made to adjourn the meeting. The meeting was adjourned at 2:35 PM